

Imputed Income Examples

Example 1
64 Year Old Employee
\$70,000 Total Life Coverage; \$50,000 Supplemental Life Coverage
Income Tax Withholding at 35%

Insurance Premiums Paid Pre-Tax		Insurance Premiums Paid Post-Tax	
Annual Salary	\$50,000.00	Annual Salary	\$50,000.00
Less Annual Life Premiums	<u>\$294.60</u>		
Net Income	\$49,705.40	Net Income	\$50,000.00
Plus Imputed Income	\$158.40	Imputed Income	\$0.00
Gross Taxable Income	\$49,863.80	Gross Taxable Income	\$50,000.00
35% Tax withholding	\$17,452.33	35% Tax withholding	\$17,500.00
Adjusted Gross Income	\$32,411.47	Adjusted Gross Income	\$32,500.00
		Less Annual Life Premiums	\$294.60
		Adjusted Gross Income	\$32,205.40

*This employee has \$206.07 **more** in take-home pay at the end of the year.*

*This employee has \$206.07 **less** in take-home pay at the end of the year.*

Example 2
48 Year Old Employee
\$70,000 Total Life Coverage; \$50,000 Supplemental Life Coverage
Income Tax Withholding at 28%

Insurance Premiums Paid Pre-Tax		Insurance Premiums Paid Post-Tax	
Annual Salary	\$50,000.00	Annual Salary	\$50,000.00
Less Annual Life Premiums	<u>\$67.92</u>		
Net Income	\$49,932.08	Net Income	\$50,000.00
Plus Imputed Income	\$36.00	Imputed Income	\$0.00
Gross Taxable Income	\$49,968.08	Gross Taxable Income	\$50,000.00
28% Tax withholding	\$13,991.06	28% Tax withholding	\$14,000.00
Adjusted Gross Income	\$35,977.02	Adjusted Gross Income	\$36,000.00
		Less Annual Life Premiums	\$67.92
		Adjusted Gross Income	\$35,932.08

*This employee has \$44.94 **more** in take-home pay at the end of the year.*

*This employee has \$44.94 **less** in take-home pay at the end of the year.*

Example 3
48 Year Old Employee
\$50,000 Total Life Coverage; \$30,000 Supplemental Life Coverage
Income Tax Withholding at 28%

Insurance Premiums Paid Pre-Tax		Insurance Premiums Paid Post-Tax	
Annual Salary	\$50,000.00	Annual Salary	\$50,000.00
Less Annual Life Premiums	<u>\$40.80</u>		
Net Income	\$49,959.20	Net Income	\$50,000.00
Plus Imputed Income	\$0.00	Imputed Income	\$0.00
Gross Taxable Income	\$49,959.20	Gross Taxable Income	\$50,000.00
28% Tax withholding	\$13,988.58	28% Tax withholding	\$14,000.00
Adjusted Gross Income	\$35,970.62	Adjusted Gross Income	\$36,000.00
		Less Annual Life Premiums	\$40.80
		Adjusted Gross Income	\$35,959.20

*This employee has \$11.42 **more** in take-home pay at the end of the year.*

*This employee has \$11.42 **less** in take-home pay at the end of the year.*